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Indiana Department
of Insurance

News Release

Indiana Department of Insurance Issues Bulletin to Prevent Cancellation of Insurance Policies for 60 Days

Indianapolis, IN June 17, 2008:

Indiana Insurance Commissioner Jim Atterholt issued a Bulletin today calling on all insurance companies doing business in Indiana to implement a 60-day moratorium on the cancellation of any insurance policy for late payment by policyholders who live in counties impacted by the recent storms and flooding. The Bulletin also asks for a waiver of any penalties or late fees during the time of this moratorium. "People are hurting and the last thing they need to worry about is having their various insurance policies cancelled during this very difficult time," said Governor Mitch Daniels. This action will give policyholders in the Indiana counties impacted by the disaster an additional 60 days to pay their premiums. The 60-day moratorium begins today, June 17, 2008 but will retroactively cover the storms from their inception on May 30, 2008.

Governor Daniels tasked Insurance Commissioner Jim Atterholt to find ways for the insurance industry to reduce Hoosier victims' burden during this very difficult time. When the Commissioner approached the various insurance associations (Indiana Insurance Institute (III), Association of Indiana Life Insurance Companies [AILIC], Indiana Association of Health Plans [IAHP]), as well as individual companies within the associations, with the idea of a moratorium on cancellations, the response was extremely positive. "The response by the insurance industry to this bulletin has been overwhelmingly supportive," said Atterholt.

Included as well in the Bulletin, as directed by the Governor, the Indiana Department of Insurance (IDOI) will modify its own internal policies and will grant a 60-day grace period for renewal and cancellation for all licensees, certificate holders and registrants. A copy of IDOI Bulletin #163 is attached.

For Release 10:00 a.m., June 17 2008

June 17, 2008

Policy Cancellation Moratorium

Due to the recent storms and flooding that have resulted in several Indiana counties being designated as disaster areas* by State Executive Order or by Presidential declaration ("impacted areas"), the Indiana Department of Insurance is calling on all insurance companies to implement the following extensions and/or grace periods in the administration of insurance policies including all lines:

A 60-day moratorium for cancellation of any insurance policy in effect for any policyholder residing within the impacted areas and a suspension of any penalty attached to late payment therein.

This "moratorium" is not a waiver; it is only an extension of the grace period in which to pay the premium. After the 60 days, the policyholder will have to resume making premium payments. The Department requests insurance companies work with the impacted policyholders in repaying the premiums that would have become due during the moratorium period by either allowing a repayment plan or a further extension in paying the amount due in full.

This moratorium applies only to cancellations/non-renewals attributed to a failure to pay premiums during the 60-day period. If a policy is to be cancelled or non-renewed for any other allowable reason, the cancellation or non-renewal may be made pursuant to the statutory notice requirements. However, the Department would request insurance companies take into consideration that persons in the heavily impacted areas may be unable to receive a notice of cancellation or non-renewal due to evacuation or delayed postal service in that area.

This moratorium will last 60 days and will take effect the date of the date of issuance of this Bulletin and the Department expects insurers to retroactively include the weather events that began with tornadoes and severe storms on May 30, 2008. We would anticipate that this time period would overlap with existing grace periods.

In addition, the Department will modify its own internal policies by implementing a 60-day grace period relating to renewal and cancellations for all licensees, certificate holders and registrants. This includes premium tax and surplus lines premium tax filings. Any penalties assessed due to late payment during this period will be waived. The 60-day extension will also be applied to the Continuing Education Requirements to those producers from impacted areas.

The Department, recognizing the massive displacement of personnel and documents, will accept temporary address changes at no fee either electronically through Sircon.com or NIPR.com, faxed to (317) 232-5251, or by phone to (317) 232-2411. The duplicate license fee of \$10.00 for producers from impacted areas will be waived during this 60-day period. The Department stands ready to help rebuild damaged and destroyed essential insurance files by allowing copying of its own records without charge.

INDIANA DEPARTMENT OF INSURANCE

James Atterholt, Commissioner